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23 August 1957

MEMORANDUM FOR: Assistant Director, Research and Reports

THROUGH: Chief, Geographic Research

SUBJECT: Evaluation of CIA/HR-G-17, Petroleum in Latin America

1. A serious gap in our intelligence was recognized during the 1956 Suez-Middle East crisis when many elements of the intelligence community were required to concentrate their attention on the availability of petroleum, not only in the Middle East but in all parts of the world: no single study was available which drew together information on the diverse petroleum industries in the whole area of Latin America. To help fill this gap a study of Latin American petroleum was initiated. Although the original intention was to prepare a short paper summarizing the petroleum situation in that part of the world, it soon became apparent that a more definitive study presenting pertinent background information as well as significant trends would more adequately serve intelligence purposes. Also it appeared obvious that a more thorough treatment of the subject would continue to be of value long after any momentary crisis had subsided. The report therefore was expanded to its present size.

2. This study is unusual, if not unique, in two respects: (1) The scope of coverage is not duplicated in any other single publication. So far as we have been able to determine, it is the only detailed study dealing exclusively with the petroleum industry in all of Latin America, a part of the world containing vast petroleum reserves, important producing oilfields, and a significant portion of the world's refining facilities. (2) The highly specialized technical terminology used throughout most of the petroleum literature has been kept to an absolute minimum.

3. The petroleum industry in each of the countries and colonies in Latin America is considered from various viewpoints to make the study as widely useful as possible. Topics covered include geographic setting of the oilfields, status and development of the petroleum industry, production, reserves, refineries, markets, and transportation. As is indicated by the extensive bibliography, information from hundreds of official and nonofficial sources was collated and analyzed in the preparation of the study.

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4. The outline for the study was discussed with members of the Petroleum Branch, Materials Division, Economic Area, ORR, during the initial stages of the research. Although other priorities prevented their active participation in the project, they were helpful in suggesting sources of information and in clarifying technical terminology.

5. The report should be of interest to anyone concerned either with petroleum or with the role that this important natural resource plays in the economic and political development of Latin America.

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Chief, Geography Division

Attachment:
CIA/RR-G-17

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